

SEP 7 1958

## CAPITAL HOPEFUL

Prompt Farley Asked  
After Eisenhower  
Sees Key Aides*Text of White House statement appears on Page 4.*

By JACK RAYMOND

Special to The New York Times.

WASHINGTON, Sept. 6.—The United States welcomed today what it regarded as a possible peace overture from Communist China. A statement issued at the White House proposed immediate diplomatic negotiations in Warsaw.

The statement was issued after Chou En-lai, Premier of Communist China, had called for resumption of ambassadorial negotiations between the two countries. The negotiations were broken off last December in Geneva. Seventy-three meetings had been held since 1955.

The United States on July 28 and three times since then proposed resumption of the talks in the Polish capital. Today's statement by Mr. Chou, coming at the height of the crisis over Quemoy, was the first indication that the Peiping regime might accept.

## President Holds Meeting

The White House proposal was contained in a statement issued after a one-and-a-half-hour luncheon meeting here of President Eisenhower and key members of the National Security Council.

It coincided with private forecasts at the Pentagon and the State Department that the Quemoy war crisis might be moving from the shooting stage to the conference table.

The optimism of Government officials was based not only on Premier Chou's statement on new negotiations. Brighter prospects in the emergency surrounding the Chinese offshore islands was seen in the Peiping leader's emphasis that the Red bombardment of Quemoy had ceased two days ago.

It was the sudden intensification of the usually sporadic shelling of the Quemoy and Matsu islands two weeks ago that brought on the crisis. The threat of a Communist attack impelled the United States to strengthen the Seventh Fleet in the Western Pacific.

## Escort Role for Navy

Pentagon sources disclosed that if today's moves in Peiping and Washington for a resumption of the talks came to nought, the United States was ready to help the Chinese Nationalists run the Communist-imposed blockade of Quemoy.

The Pentagon would not confirm a report from Taiwan that United States warships escorting Chinese Nationalist ships had left Taiwan for Quemoy tonight. But Pentagon sources have made clear that United States Naval officers, under fresh instructions, may feel free to escort Nationalist ships to at least three miles from Quemoy.

The United States does not accept the new twelve-mile territorial limit proclaimed by Peiping for Chinese coastal waters.

President Eisenhower, who had flown in from his vacation residence at Newport, R. I. in the morning, summoned all the available members of the National Security Council to discuss the China crisis.

Vice President Richard M. Nixon was unable to attend because of a previous speaking engagement at Harvard University that he felt he could not break.

Those who were present included Secretary of State Dulles, Robert B. Anderson, Secretary of the Treasury, Nell H. McElroy, Secretary of Defense, Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, Leo Hoogh, Director of Defense and Mobilization, George V. Allen, director of the United States Information Agency, and Lieut. Gen. Charles P. Cabell, acting director of the Central Intelligence Agency.

## Defense of Isles Studied

The President and his high-ranking aides discussed measures to implement the policy enunciated at Newport two days ago by Mr. Dulles on the authority of the President.

This policy stresses the United States' determination, even if the use of its own armed forces is necessary, to prevent the offshore islands of Quemoy and the Matsus from falling into the hands of the Communist Chinese.

As elaborated by authoritative spokesmen, it means that the United States would intervene if it found that the sizeable Nationalist Chinese garrison on Quemoy was unable to repel an attempted invasion

by the Communist Chinese from the mainland only four miles away.

Quemoy is about 100 miles from Taiwan, to which Generalissimo Chiang Kai-shek and his Government fled in 1949 after being driven from the mainland.

The United States subsequently signed a treaty with Nationalist China promising aid against a Communist attempt to seize Taiwan and the nearby Penghu Pescadores Islands. But it has been left to conjecture whether Washington would decide that a Red invasion of Quemoy would be considered part of a larger effort to capture Taiwan.

James C. Hagerty, White House press secretary, said that Secretary Dulles stayed on with President Eisenhower for a half-hour after the regular meeting, which began at 1:30 P. M. and ended at 2 o'clock.

The statement quoted Premier Chou's assertion that the Peiping regime's position was taken in order to contribute further

to the safeguarding of peace.

On that point, the statement maintained that the Geneva talks had been interrupted recently by the Communists themselves.

The United States, in suggesting Warsaw as the site for the talks, noted that its Ambassador there, Jacob D. Beam, had "previously acted in this matter."

This was an allusion to a note delivered by Mr. Beam to the Chinese Ambassador in Warsaw, proposing renewal of the talks that began as a discussion of American prisoner repatriation from the Chinese mainland and then were broadened to other topics.

Forty Americans were held prisoner in Communist China. A few at a time were released as a result of negotiations in Geneva between U. Alexis Johnson, then Ambassador to Czechoslovakia, and Wang Ping-nan, the Chinese Communist Ambassador to Poland. However, four Americans are still known to be imprisoned in China.

The negotiations switched to other issues, chiefly the question of Taiwan. On this point the United States tried repeatedly to obtain Communist China's agreement to a joint foundation on force generally in that area particularly.

without prejudice to an ultimate settlement.

However, the seventy-third meeting ended in a deadlock on this issue. Subsequently, Ambassador Johnson was transferred to Thailand, Edwin W. Martin, First Secretary of the United States Embassy in London, was assigned to take his place.

The Communist Chinese denounced the change in representatives as an effort to stall the talks and as a reflection of United States disinterest.

Mr. Dulles denied the Communist charge, declaring that the warning had come just as the United States was preparing to propose Warsaw as the scene of the talks.